

# Ensuring Consistently Positive Customer Interactions



Daniel Julien

**EDITORS' NOTE** Daniel Julien founded Teleperformance in 1978 at the age of 25, having graduated from the University of Paris where he majored in Economics. Starting with just 10 telephone lines in an office in Paris, he succeeded in growing Teleperformance to the leading position in the French market by 1985 and number one in the European market in 1995. After serving several years as CEO of Teleperformance, Julien is now Executive Chairman of the Board of the Group and Chief Executive Officer of Teleperformance Group Inc., the managing company for the Americas and Asia Pacific.

**COMPANY BRIEF** Teleperformance (teleperformance.com), the worldwide leader in outsourced omni-channel customer experience management, serves companies and administrations around the world through its core services of customer care, technical support, and customer acquisition, as well as through its specialized services including online interpreting solutions, visa application management services, data analysis, and debt collection programs. The Group operates 163,000 computerized workstations, with 217,000 employees across 340 contact centers in 74 countries serving 160 markets. It manages programs in 265 languages and dialects on behalf of major international companies operating in a wide variety of industries.

## What was your original vision for Teleperformance?

Forty years ago, it was another world because it was one with fixed lines and no online data. The initial vision was simply to use the telephone to help to communicate better and get additional sales.

In the mid-'80s in the U.S., there was a big movement toward total quality management and the need for better customer service and satisfaction.

This was also a time when the microcomputer networks began – one could connect several computers together without having to go through the mainframe.

## An Interview with Daniel Julien, Chief Executive Officer, Teleperformance Group Inc.

Teleperformance started to provide customer service for some major players in the car industry in France. Then, we began to develop yearly customer satisfaction barometers to help companies better serve their clients and identify where they could improve.

Our own business exploded with the introduction of three technological revolutions. The first was the development of systems for delivering a more sophisticated interaction with people through call centers.

The second was the creation of the mobile phone, because the mobile phone companies didn't want to reproduce the heavy, bureaucratic infrastructure of their parent companies. They decided from day one to outsource their customer service, and we were the recipient of their business.

We were professional and flexible and less expensive than internal services. We also had a lot of opportunities to benchmark best practices. Our business grew a lot with this.

The next revolution was the Internet and the 'Googleization' of the world. Our market went up, because with the Internet, we entered an era of immediate communication in which every individual feels that they have the right to have one-to-one communication with a provider of a product or service.

This has vastly multiplied the interactions between a company and its customer base, which has been extremely positive for us. The reality is that the voice remains the preferred channel of interaction between individuals and a company for one reason: the interaction is not just about asking a rational question; when someone wants to have an interaction, it's always somewhat emotional. Even e-commerce gets its fair share of customers who encounter a problem and decide to change to the call channel because they want to talk to someone.

Today, Teleperformance provides the global personal link that a company can establish with a customer or prospect base. We are a solid link because we have multiple systems with enough experience behind them that we are now Six Sigma. We are an extremely able partner because we are the only company in our industry that is investment-grade. We have the resources to invest to help companies grow all over the world.

When it comes to security, we are the company with the most advanced procedures. We are very reliable in this regard.

## Has Teleperformance's growth primarily been organic?

We always have managed our growth with 50 percent organic growth and 50 percent acquisition. Our organic growth has consistently been greater than the growth of the market.

## How critical has it been to continue to expand into new markets?

First, this has to do with my own obsessions. Ever since I was a child, I only had one hero, and that is Marco Polo, the merchant of Venice. As soon as I had the company established in France, I wanted to expand into the rest of Europe. I didn't have clients outside of France then, so I found a manager, and we developed our own clients.

Then, around 1993, after we had established a good presence in Europe, we decided to open in the U.S., where we now have a solid presence with approximately 72,000 agents serving this market.

Following this, I decided to leave Paris and move to Miami Beach. Eventually, I went to Argentina and built our company there. Our largest company today is in the Philippines. It serves the U.S. market with 40,000 employees. I started this business in 1993 with 100 people, and I built it because I wanted to have a good reason to return to the Philippines. It became obvious that we could successfully offshore some business to the Philippines.

## Are there additional markets you're focused on?

I'm focused on China and India because, no matter what we want to believe, they are the future of the world – they are large entities with an organic growth that will be sustained for the next 50 years.

China is richer than India, but it's a difficult market to work in. One needs to spend several years losing money before learning how to make money, although we do now make money there.

We mostly serve the international companies doing business in China who want to have a consistently high level of service quality.

We also serve some big Chinese companies, but only the very top ones. The only companies we are interested in working with in China are those that are ready to pay a premium price to get better service quality to differentiate themselves from competitors.

In India, there is a lot of competition, so we have focused on positioning ourselves as a high-level boutique service mainly serving multinational companies in the Indian market. Although I say we are a “boutique” in India, we still have 10,000 people there.

Even though we have been in Indonesia for five years, we are just beginning to gain some traction there. Our business is still in the very early stages because Indonesia doesn't have a lot of multinational companies yet.

We know that our future growth will come from a matrix derived from geography and verticals. It will be based more on the high-end service rather than the basic service, which can now be done by artificial intelligence. However, our experience shows that consumers will not endure an artificial intelligence interaction that lasts a couple of minutes.

We know that we have great potential for growth in the healthcare market, especially with the aging population. Some of the aging have moved into assisted-living facilities, but some still live at home and need to feel secure and to have someone who, for instance, makes sure that they take their pills.

We see great potential for growth with Internet companies because everyone is super excited about what can be done with apps. Many don't understand that beyond the app, there is the real world and it's made of goods and services provided by people who have to travel and live their lives, and that there are many incidents that happen along this chain. We are the oil for the machine that makes sure that these incidents are dealt with smoothly.

**You have also added specialty services on top of your core business. How much growth do you anticipate for this part of the business?**

We are experiencing around 8 to 9 percent growth per year in these specialty services.

■

**Teleperformance provides the global personal link that a company can establish with a customer or prospect base.**

■

Right now, the specialized services are a small part of our business – 15 percent in revenue, but much more in profitability. As they grow faster than our core business and as we add older, niche markets that specialize in high-level services, such services should become 20 percent of revenue.

The two specialized services that we have already added are facilitating interactions between companies or between governments and individuals.

Today, many governments are in trouble because people don't want to see their taxes raised, but the cities need more tax revenues to provide needed services. Contracting with a company like ours to provide some of those services can be the solution.

For example, our creativity led to us seeing an opportunity in providing visa services in China for Chinese citizens who wanted to visit France. We prepare everything for the consulate. It does not cost anything for the French administration, and it has increased the number of visits to the country. This has worked so well that we now provide exclusive visa services in many countries around the world for the major European administrations.

Today, this specialty service that started seven years ago with \$5 million makes \$150 million and is super profitable. We have multiple ideas – it's not just visas.

The privatization of service is always a little bit touchy politically, however.

The renewal of a green card, for instance, could easily be a privatized service. The whole process can be done privately without the government having to spend its money.

There are other services as well where a privatized approach would be much better. One example involved our acquisition last year of Language Line Services, which provides critical interpretation services in the U.S. There is something beautiful in the U.S. regulation that every hospital has to provide interpretation services for those not fluent in English. In every such organization, we can be present to help.

**How important is Teleperformance's focus on its workforce and having engaged employees?**

We have 220,000 employees, and they have to be managed with love and discipline. The discipline involves all the operational procedures that are the same all over the world and are audited by a global team. It's not just putting these in place, but providing the software to back them up and monitoring adherence.

We also have to face the reality that the quality of an army is the morale of the army, so we pay a lot of attention to employee satisfaction. One of the largest employee satisfaction surveys anywhere is the one we ask all employees to answer. It has something like 100 questions about every aspect of their lives. These are analyzed and generate plans at the country, the site, and supervisor levels, so there is a procedure for management to follow.

Eighty percent of our top management comes from inside the company, which means there are many opportunities for those who want to lead. Those who get to lead are not the top six out of 10 – they are at best one out of 10 at a certain level, so there is an incentive to perform at the highest level.

■

**We have the resources to invest to help companies grow all over the world.**

■

We also try to be recognized as a best-in-class employer in most of the regions in which we operate. We have third-party certification in many of our countries. In India, we have been recognized for seven years in a row as a best employer.

We are a people business: a happy employee makes for a happy customer, which makes for a happy client, and that helps us make happy shareholders.

**People want to work today for companies that have a bigger purpose than just business. Will you discuss how deeply CSR is ingrained within the company?**

It's part of our everyday life. We started our CSR program around 15 years ago. We raised money from our managers and employees to help many people who are struggling in the communities in which we operate.

Difficult things happen, and not only in third-world countries. When these things happen, we mobilize. Typically, our purpose is to contribute. We aren't professional helpers, so we work with very well-recognized organizations and fund them directly. Our annual contributions are in the millions of dollars.

For years, we have also been participating in the Clinton Global Initiative, working there with our clients.

Years ago, we created a festival where teams at the local level around the world compete in various categories and the winner gets recognition plus a cash reward. This creates a common culture.

**When you're in the day to day of the business, do you take moments to appreciate what this company has achieved?**

I always think about what is next. If one is not thinking about what's next, then they are always behind. ●